16

STANDING COMMITTEE ON COAL AND STEEL (2010-2011) FIFTEENTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS
(2011-12)

SIXTEENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI
August, 2011/ Bhadra, 1933(Saka)

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STANDING COMMITTEE ON
COAL AND STEEL
(2010-11)

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Presented to Lok Sabha on 29.08.2011

Laid in Rajya Sabha on 29.08.2011

LOK SABHA SECRETARIAT
NEW DELHI
August, 2011/Bhadra, 1933 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2010-11)

Shri Kalyan Banerjee - Chairman

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri Jaywant Gangaram Awale
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Yashbant Laguri
8. Shri Narahari Mahato
9. Shri Babu Lal Marandi
10. Shri Govind Prasad Mishra
11. Kumari Saroj Pandey
12. Shri Ramesh Rathod
13. Shri Rakesh Sachan
14. Shri Adhi Sankar
15. Shri Pashupati Nath Singh
16. Smt. Rajesh Nandini Singh
17. Shri Rajiv Ranjan Singh (Lalan)
18. Sardar Sukhdev Singh Libra
19. Shri Shibu Soren
20. Dr. G. Vivekanand
21. Vacant

Rajya Sabha

22. Mohd. Amin*
23. Shri Ali Anwar Ansari
24. Shri Jugul Kishore
25. Shri Kishore Kumar Mohanty
26. Dr. Dasari Narayana Rao
27. Ms. Mabel Rebello
28. Shri Dhiraj Prasad Sahu
29. Shri Nand Kumar Sai
30. Shri Jai Prakash Narayan Singh
31. Shri R.C. Singh

*Ceased to be Member of the Committee w.e.f. 18.08.2011

SECRETARIAT

1.	Shri Ashok Sarin	-	Joint Secretary
2.	Shri Shiv Singh	-	Director

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Sixteenth Report (Fifteenth Lok Sabha) on Demands for Grants (2011-12) relating to the Ministry of Coal.

2. The Demands for Grants of the Ministry of Coal were laid on the Table of the House on 16.03.2011. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Coal on 9th and 24th May, 2011.

4. The Report was considered and adopted by the Committee at their sitting held on 19th August, 2011.

5. The Committee wish to express their thanks to the officials of the Ministry of Coal for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
26 August, 2011
04 Bhadra, 1933 (Saka)

KALYAN BANERJEE
Chairman,
Standing Committee on Coal and Steel

REPORT

CHAPTER - I

INTRODUCTORY

For thousands of years coal has been used as an important source of energy, including playing a crucial role as a driving force in the Industrial Revolution. Today, coal is the largest source of energy for electricity generation in the world. Coal continues to be the major source of primary commercial energy worldwide. Considering the limited reserve potentiality of petroleum and natural gas, eco-conservation restriction on hydel projects and geo-political perception of nuclear power, coal will continue to occupy the centre stage of India's energy scenario.

1.2 The Ministry of Coal is responsible for exploring, development and exploitation of Coal and Lignite reserves in India. The subjects allocated to the Ministry of Coal (includes Subordinate office or other organization including PSUs concerned with their subjects) under the Government of India (Allocation of Business) Rules, 1961, from time to time are as follows:

- Exploration and development of coking, non-coking coal and lignite deposits in India.
- All matters relating to production, supply, distribution and prices of coal.
- Development and operation of coal washeries other than those for which the Department of Steel is responsible.
- Low Temperature carbonization of coal and production of synthetic oil from coal.
- All work related to coal gasification.
- Administration of the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974).
- The Coal Mines Provident Fund Organization.
- Administration of the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948 (46 of 1948).
- Rules under the Mines Act, 1952 (32 of 1952) for the levy and collection of duty of excise on coke and coal produced and dispatched from mines and administration of rescue fund.
- Administration of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957).
- Administration of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and other Union Laws in so far the said Act and Laws relate to coal and lignite and sand for stowing, business incidental to such administration including questions concerning various States.
- Administration of Coal Mines Nationalisation Act, 1973 (26 of 1973).

1.3 The Ministry of coal has, under its direct administrative control, the following two Public Sector Undertakings;

(i) Coal India Ltd.(CIL), and

(ii) Neyveli Lignite Corporation Ltd. (NLC)

Coal India Ltd., having headquarters of Kolkata, is the holding Company with seven producing subsidiaries and one planning and design subsidiary, viz:-

(i) Eastern Coalfields Limited(ECL), Sanctoria (West Bengal)

(ii) Bharat Coking Coal Limited (BCCL), Dhanbad (Jharkhand)

(iii) Central Coalfields Limited (CCL), Ranchi (Jharkhand)

(iv) Northern Coalfields Limited (NCL), Singrauli (Madhya Pradesh)

(v) Western Coalfields Limited (WCL), Nagpur(Maharashtra)

(vi) South Eastern Coalfields Limited(SECL), Bilaspur (Chhatisgarh)

(vii) Mahanadi Coalfields Limited(MCL), Sambalpur(Orissa)

(viii) Central Mines Planning &Design Institute Ltd. (CMPDIL), Ranchi, (Jharkhand)

1.4 Neyveli Lignite Corporation Limited with headquarters at Neyveli in Tamil Nadu is primarily engaged in the exploitation of lignite deposits in the country and generation of power from lignite.

1.5 The Singareni Collieries Company Limited (SCCL) incorporated as a public limited company in 1920, became a Government Company in 1956 with headquarters at Kothagudem in Andhra Pradesh. The company is a joint undertaking of Government of Andhra Pradesh and Government of India. The share capital of this Company is held by the Government of Andhra Pradesh and Government of India in the ratio of 51:49 respectively. This company is engaged in the exploitation of coal reserves in the State of Andhra Pradesh.

1.6 Following subordinate Offices and autonomous organisations are under the Administrative control of this Ministry:

Coal Controller's Organisation (CCO)

The Coal Controller's Organisation (CCO) is a subordinate office under the administrative control of Ministry of Coal, its headquarters being at Kolkata and field offices at Dhanbad, Ranchi, Bilaspur , Nagpur and Kothagudem. Each field office is headed by one GM/DGM level executive working in the capacity of Officer on Special

Duty being supported by other technical officers. The field offices consists of mainly persons taken on loan from Public Sector Coal Companies.

Coal Mines Provident Fund Organisation (CMPFO)

This is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. CMPFO administers the Coal Mines Provident Fund Scheme, 1948, the Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998. All these schemes have been formulated under the provisions of the Act of 1948. The Headquarters of CMPFO is at Dhanbad and its 24 Regional Offices are spread in the Coal producing states in the country.

1.7 The Ministry in their Outcome Budget(2011-12) while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs, also brings out the quantifiable deliverables and physical outputs along with the timelines for both the Plan and Non Plan schemes operated in the Ministry of Coal. The new initiatives and policy measures with regard to the New Coal Distribution Policy, the e-auction scheme, revision in the Coal Royalty Rates, the formation of International Coal Ventures Limited (a Special Purpose Vehicle of Central Public Sector Undertakings including Coal India Limited) ; acquisition of two coal blocks in Mozambique; disinvestment of 10 % of CIL holdings through IPO etc. have also been brought out in the Outcome Budget 2011-12 . In addition, the Outcome Budget also addresses the issues relating to measures to increase coal production through the Emergency Coal Production Plan and the scheme of Captive Coal Block allocation.

1.8 The detailed Demands for Grants (2011-12) of the Ministry of Coal were presented to the Lok Sabha on 16.03.2011. Since this year the Demands for Grants (2009-10) have already been passed by Parliament, the Committee's observations/recommendations as detailed in the succeeding paragraphs relate to implementation of the plans/projects of the PSUs/Organisations under its administrative control. The Ministry should ensure proper utilization of allotted funds and observations/ recommendations of the Committee should be taken into consideration while implementing plans/projects.

CHAPTER – II

ANALYSIS OF DEMANDS FOR GRANTS (2011-12)

A. Plan and Non-Plan Outlay

The Demands For Grants of the Ministry of Coal can be broadly categorized into two kinds: one category relating to the schemes /programmes implemented with the help of the Gross Budgetary Support from Government of India and other category of schemes /projects being implemented by PSUs from their own Internal and Extra Budgetary Resources (IEBRs) . The allocations earmarked for these central schemes and programmes/projects being implemented by the PSUs are indicated hereunder:-

(i) Schemes /Programmes being implemented with Gross Budgetary Support.

(Rs in crore)

	Name of Scheme/ programme	2010-11 (BUDGET)			2010-11 (REVISED)			2011-12 (BUDGET)		
	Revenue	**PLAN**	**NON – PLAN**	**TOTAL**	**PLAN**	**NON - PLAN**	**TOTAL**	**PLAN**	**NON - PLAN**	**TOTAL**
1	Secretariat - Economic Services	0.45	13.15	**13.60**	0.45	13.15	**13.60**	0.45	13.71	**14.16**
	LABOUR AND EMPLOYMENT									
	COAL MINES LABOUR WELFARE									
2	Contribution to Coal Mines Pension Scheme/ Deposit Link Insurance Scheme	0.00	28.70	**28.70**	0.00	28.70	**28.70**	0.00	28.70	**28.70**
	COAL AND LIGNITE									
3	Conservation and Safety in Coal Mines (met out of cess collections)	135.00	0.00	**135.00**	135.00	0.00	**135.00**	121.11	0.00	**121.11**
4	Development of Transportation Infrastructure in coalfields areas (Met out of cess collections)	22.00	0.00	**22.00**	22.00	0.00	**22.00**	22.00	0.00	**22.00**
5	Research & Development Programme	10.00	0.00	**10.00**	10.00	0.00	**10.00**	10.62	0.00	**10.62**
6	Regional Exploration	68.00	0.00	**68.00**	68.00	0.00	**68.00**	62.17	0.00	**62.17**
7	Detailed Drilling	110.00	0.00	**110.00**	110.00	0.00	**110.00**	99.22	0.00	**99.22**
8	Environmental Measures and Subsidence Control	30.00	0.00	**30.00**	30.00	0.00	**30.00**	50.58	0.00	**50.58**
9	Coal Controller	0.25	5.85	**6.10**	0.25	5.81	**6.06**	0.25	6.31	**6.56**
	Total Coal and Lignite	375.25	5.85	381.10	375.25	5.81	381.06	365.95	6.31	372.26

10	Lumpsum provision for North Eastern Areas	24.30	0.00	**24.30**	24.30	0.00	**24.30**	26.60	0.00	**26.60**
11	Lumpsum provision for TSP	0.00	0.00	**0.00**	0.00	0.00	**0.00**	27.00	0.00	**27.00**
	Total (Revenue)	**400.00**	**47.70**	**447.70**	**400.00**	**47.66**	**447.66**	**420.00**	**48.72**	**468.72**
	CAPITAL									
	EXPENDITURE ON ACQUISITION OF COAL BEARING AREAS FROM CBA ACQUISTION FUND									
12	10.01 Acquisition of Coal Bearing Areas	0.00	30.00	**30.00**	0.00	30.00	**30.00**	0.00	30.00	**30.00**
13	10.02 Deduct Expenditure met from C.B.A. Acquisition Fund	0.00	-30.00	**-30.00**	0.00	-30.00	**-30.00**	0.00	-30.00	**-30.00**
	Total (Capital)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Total (A)	**400.00**	**47.70**	**447.70**	**400.00**	**47.66**	**447.66**	**420.00**	**48.72**	**468.72**

(ii) The following schemes/programmes/projects of PSUs are being implemented through I&BER:

B. PLAN INVESTMENT IN PUBLIC ENTERPRISES										
		BE 2010-11			**RE 2010-11**			**BE 2011-12**		
		BUDGET SUPPORT	IEBR	TOTAL	BUDGET SUPPORT	IEBR	TOTAL	BUDGET SUPPORT	IEBR	TOTAL
	INVESTMENT IN PUBLIC ENTERPRISES									
13	Coal India Limited	0	9800.00	9800.00	0	5418.9	5418.90	0	4220	4220.00
14	Singareni Collieries Company Ltd.	0	1334.93	1334.93	0	1124.57	1124.57	0	2804.3	2804.30
15	Neyveli Lignite Corporation Limited (Mines)	0	313.94	313.94	0	120.83	120.83	0	104.58	104.58
15.1	Neyveli Lignite Corporation Limited (Power)	0	1669.52	1669.52	0	1323.82	1323.82	0	1753.97	1753.97
15.2	Neyveli Lignite Corporation Limited (Total)	0.00	1983.46	1983.46	0.00	1444.65	1444.65	0.00	1858.55	1858.55
16	**TOTAL (Investment in PEs on Coal and Lignite)**	0.00	11448.87	11448.87	0.00	6664.30	6664.30	0.00	7128.88	7128.88
17	**Total (Investment in PEs on Power)**	0.00	1669.52	1669.52	0.00	1323.82	1323.82	0.00	1753.97	1753.97
18	Total (B) (Plan Investment in Public Enterprises of MOC)	0.00	13118.39	13118.39	0.00	7988.12	7988.12	0.00	8882.85	8882.85
19.	**TOTAL PLAN OUTLAY (MOC) (A+B)**	**400.00**	**13118.39**	**13518.39**	**400.00**	**7988.12**	**8388.12**	**420.00**	**8882.85**	**9302.85**

2.2 In the Plan outlay 2011-12, provision has been made for (i) Regional Exploration (Rs. 62.17 crore) , EMSC (Rs. 50.58 crore), Research and Development (S&T) (Rs. 10.62 crore), Detailed Drilling (Rs.99.22 crore), Conservation and Safety in Coal Mines (Rs 121.11 crore) and Development of Transport Infrastructure in Coalfield Areas (Rs 22.00 crore). Provision of Rs. 0.45 crore has been made for Information Technology. It is proposed to provide more IT equipments especially to cater the need for digital imaging solutions so that more and more work is assisted through IT. The Budget provision will also be utilized for further strengthening the IT infrastructure of the Ministry for creating more online working environment. The amount of Rs. 26.60 crore being 10% of the Plan outlay,. has been kept as per mandatory requirement of funds earmarked to be spent for the development of NE Region. The amount of Rs. 27.00 crore being 8.2% of the Plan outlay of three Schemes namely Regional Exploration, Detailed Drilling and Conservation and Safety in Coal Mines identified to be part of Tribal Sub Plan has been kept under separate Sub Heads as per mandatory requirement to be spent for the Tribal Sub Plan.

2.3 The Non-Plan Budget (2011-12) of Rs. 48.72 crores mainly comprises of funds required for Secretariat (Economic Services), Coal Controller's Organisation, payment of Government contributions statutorily required under Coal Mines Pension Scheme, 1998. framed under Coal Mines Provident Fund and Misc. Provisions Act, 1948..Government was also providing in past contribution towards Coal Mines Deposit Linked Insurance Scheme, 1976 but Government contribution has been discontinued from 2009-10 and the liability has been taken over by CIL. Further an amount of Rs. 30.00 crores have been kept for payment of compensation for acquisition of coal bearing areas under Coal Bearing Areas (Acquisition and Development) Act, 1957. However since the lands acquired become properties of the subsidiary companies of the CIL, the CIL deposits a fund with the Government of India(Ministry of Coal) and the Ministry of Coal releases the amount of compensation through the subsidiary companies for releasing the same to the land oustees by the subsidiary companies. These releases of Compensation thus do not entail any net outgo from Government. The Non-Plan Budget can not be linked to deliverable outputs.

2.4 The total plan outlay of Ministry of Coal for 2010-11 at BE stage was Rs. 13118.39 crores which were reduced to Rs. 8388.12 crores at RE stage for 2011-12, the plan outlay at BE stage is Rs. 9302.85. In this context please state:

When asked about the reasons for decrease in plan outlay for 2010-11 at RE stage, the Ministry of Coal have sated as follows:-

"The 2010-11 RE plan outlays for the central plan schemes being implemented with the budgetary support from the GOI were kept at the BE level. However the plan investments to be met by the CIL,NLC and SCCL from their IEBRs were reduced at RE stage due to various reasons as indicated below company wise:

Coal india Ltd.(CIL)

The plan outlay for the year 2010-11 in respect of CIL is given in the table below:

Figs in ₹ Crores

Company	2010-11	
	BE	RE
Coal India Limited	3800.00 + 6000.00*	3615.00 + 1000.00*

* ` 6000 Cr. and ` 1000.00 Cr. kept as ad-hoc provision for acquisition of assets aboard

Since coal production target by CIL was revised from 460.5 MTs (BE) to 440.2 MTs (RE) for 2010-11, the corresponding plan outlay was reduced at RE stage. The outlay provided for acquisition of properties abroad could not be utilized as no proposals have materialized.

Neyveli Lignite Corporation (NLC):

Since the expansion of Barsingsar Mine and Mine-II had been completed and payments for major items had been made and only release of final payments was pending, hence the outlay for Mines was decreased. In power sector also, delay in supply and erection of equipments by the main plant contractor Bharat Heavy Electricals(BHEL) in Thermal Power Stations II (TPS-II) expansion, Barsingsar power project and Coal based Power Plant at Tuticorin were the major contributories to this decrease in outlay for power sector. In view of the above, the plan outlay had been reduced from Rs. 1983.46 crores to Rs. 1444.65 crores at R.E stage.

Singareni Collieries Company Ltd (SCCL):

The reason for decrease in RE was deferment of procurement of some of the HEMM projected in BE 2010-11. Provision towards 2x600MW Power Project in RE 2010-11 had been reduced to Rs.400.00 Crore against Rs.540.00 Crore projected in BE 2010-11. Further, the status of performance of on-going projects and expected investment on new projects was also considered while projecting RE 2010-11."

2.5 On being asked about the reasons for increase in plan outlay at BE stage for 2011-12, the Ministry have replied as follows:-

"There has been very small increase in the plan outlay for Central plan schemes from 400 crores in 2010-11 to Rs. 420crores in 2011-12. The small increase in outlays provided has been used to increase the provisions for the scheme of Environment Measures Subsidence Control (EMSC) to try to meet the central share for the funding of the Master Plan for Raniganj & Jharia.

There has been projection of capital investments by Companies out of their internal resources and the reasons for the increases in projections by CIL and SCCL are indicated hereunder:

CIL : Increase in plan outlay for BE 2011-12 for CIL has been made for :

- Increase in coal production.
- Additional expenditures on account of Master Plan for Jharia and Ranigunj Coalfields.
- Additional expenditures for construction of new washeries
- Construction of silos for rapid loading of railway wagons.
- Replacement of HEMM

NLC

There is no increase in plan outlay of NLC for BE 2011-12 as compared with BE 2010-11.

SCCL:

SCCL has kept Rs. 2804.30 cr. in BE 2011-12 for Investment during 2011-12. The increase in plan outlay is Rs. 1679.73 Crores over RE 2010-11 outlay. The increases in outlay are (i) Rs.1500.00 Crores for 2X600MW STPP (Super Thermal Power Projects) towards Plant & Machinery, Civil Works, Development Works and Interest during Construction (IDC), (ii) Rs.592.19 Crores for Adriyala Longwall Project, out of which, Rs.584.93 Crores are provided for Longwall equipment."

B. Capital Outlay of Public Sector Undertakings (PSU)s

(Rs in crore)

Name of PSUs	Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (upto Dec., 10)	BE 2011-12
CIL	2507.17	2814.67	5418.90	1547.42	4220.00
NLC	1559.15	1363.10	1444.65	883.87	1858.55
SCCL	650.44	742.43	1124.57	398.15	2804.30
Total	4716.76	4920.20	7988.12	2829.44	8882.85

There is no outgo from the Consolidated Fund of India and the entire expenditure is met by PSUs from their I&EBRs.

Central Sector Schemes

Name of the scheme and percentage increase over the previous year	Actual 2007-08	Actual 2008-09	Actual 2009-10	RE 2010-11	BE 2011-12
(i) Research and Development Projects(Year wise allocations/ Utilisations in Rs.cr.)	12.48	10.00	11.0	10.00	10.62
Percentage increase over previous year		-19.87	10	-9.09	6.2
(ii) Promotional (Regional) Exploration(Year wise allocations/ Utilisations in Rs.cr.)	34.99	30.00	30.39	68.00	62.17
Percentage increase over		-14.26	1.3	123.75	-8.57

previous year					
(iii) Detailed Drilling in Non CIL Blocks(Year wise allocations/ Utilisations in Rs.cr.)	40.00	15.00	60.00	110.00	99.22
Percentage increase over previous year		-62.5	300	83.33	-9.80
(iv)Environmental Measures and Subsidence Control (EMSC) (Year wise allocations/ Utilisations in Rs.cr.)	17.99	9.90	-	30.00	50.58
Percentage increase over previous year		-44.96	-100	-	68.60
(v) Conservation and Safety in Coal Mines(Year wise allocations/ Utilisations in Rs.cr.)	150.38	132.00	135.00	135.00	121.11
Percentage increase over previous year		-12.22	2.27	-	-10.29
(vi) Development of Transport Infrastructure (Year wise allocations/ Utilisations in Rs.cr.)	23.58	0.00	-	22.00	22.00
Percentage increase over previous year		-100	-	-	-
(vii)Development of North Eastern Region/Sikkim (year wise allocations /utilization in Rs crores)	0.00	0.00	0.00	24.30	26.60
(viii) Lumpsum Provision for Tribal Sub Plan	0.00	0.00	0.00	0.00	27.00
(ix) Secretariat Proper (Plan)	0.00	0.08	0.02	0.45	0.45
(x) Coal Controller's Organisation (Plan)	0.19	0.20	0.26	0.25	0.25
(xi) Secretariat Proper (Non Plan)	6.33	9.20	11.60	13.15	13.71
(xii) Coal Mines Pension Schemes and Coal Mines Deposit Linked Insurance Schemes (Non Plan)	32.96	31.02	28.70	28.70	28.70
(xiv) Coal Controller's Organisation (Non Plan)	2.95	4.35	5.85	5.81	6.31
(xv) Payment of compensation for acquisition of Coal Bearing Areas (Non Plan) #	22.95	23.18	27.05	30.00	30.00

C. Ministry of Coal operates six Plan Schemes namely :

(a) Research and Development

(b) Regional Exploration

(c) Detailed Drilling

(d) Environmental Measures and Subsidence Control

(e) Conservation and Safety in Coal Mines

(f) Development of Transport Infrastructure in Coalfields Areas

The status of the Budget provision and the expenditure for these six schemes are given below:

Research & Development Projects

(Rs. in Crore)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
10.00	11.00	10.00	5.00	10.62

Promotional (Regional) Exploration In Coal & Lignite

(Rs. in Crore)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
30.00	30.39	68.00	28.47	62.17

Detailed Drilling In Non-Cil/Captive Mining Blocks

(Rs. in Crore)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
15.00	60.00	110.00	63.67	99.22

Environmental Measures And Subsidence Control

(Rs. in Crore)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
9.90	0.0	30.00	25.00	50.58

Note:

1. All the EMSC Schemes are part of the approved Master Plan for Jharia and Raniganj. During the current year 2010-11, an amount of Rs. 25.00 crores (Rs. 15.00 crores to BCCL and Rs. 10.00 crores to ECL) has been released against the BE/RE provision of Rs. 30 crores under EMSC head.

Conservation and Safety in Coal Mines

(Rs in Crores)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
132.00	135.00	135.00	0.00	121.11

Development Of Transport Infrastructure

(Rs in Crores)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. 10)	BE 2011-12
0.0	0.0	22.00	0.00	22.00

Development of North Eastern Region/Sikkim

(Rs in Crores)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
0.00	0.00	24.30	0.00	26.60

Provision for Tribal Sub Plan

(Rs in Crores)

Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
0.00	0.00	0.00	0.00	27.00

NON PLAN SCHEMES

Coal Mines Pension Scheme and Coal Mines Deposit Linked Insurance Scheme

(Rs in Crores)

Object Head	Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
CMDLI * Scheme (Contribution)	1.50	0.00	0.00	0.00	0.00
CMDLI Scheme(Adm Charges)	0.32	0.08	0.00	0.00	0.00
Coal Mines Pension Scheme (Contribution)	18.50	18.50	18.50	13.875	18.50
Coal Mines Pension Scheme(Adm. Charges)	10.70	10.20	10.20	7.65	10.20

*Government contribution discontinued since 2009 as CIL has taken over the liability.

Secretariat Proper

(Rs in Crores)

	Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
Plan	0.08	0.02	0.45	0.00	0.45
Non Plan	9.20	11.60	13.15	9.14	13.71

Coal Controller Orgainsation (CCO)

(Rs in Crores)

	Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
Plan	0.21	0.26	0.25	0.16	0.25
Non Plan	4.35	5.85	5.81	4.47	6.31

Acquisition of Coal Bearing Areas

2.6 It is the statutory requirement on the part of the Government to pay compensation to the oustee land owners from the lands acquired for coal exploration. Since these lands become property of the subsidiary companies of Coal India Limited, CIL places a fund at the disposal of Government of India for payment of compensation. Thus there is no outgo from the Consolidated Fund of India.

(Rs in Crores)

	Actual 2008-09	Actual 2009-10	RE 2010-11	Actual 2010-11 (Apr.- Dec. '10)	BE 2011-12
Non Plan	23.18	27.05	30.00	22.80	30.00

D. Physical and Financial Targets

CIL

The financial targets set out for coal in each year during last three years vis-a-vis actual achievement for CIL are given below :

Figs in Cr.

Company	Target 2008-09	Actual 2008-09	Target 2009-10	Actual 2009-10	Target 2010-11	2010-11 (Prov)
CIL	10,872.05	5,744.10	7895.47	13,964.93	12,208.80	15886.69

The physical target and achievement of raw coal production in Coal India Ltd. during the last three years are given below :

(Fig. in Million Tonnes)

Year	Target	Actual	Percentage achieved
2010-11	440.2	431.32	98.0
2009-10	435.00	431.26	99.1
2008-09	405.00	403.73	99.7

The main reason for the shortfall in production are :

(i) Constraint in obtaining environmental and forestry clearances.
(ii) Rrestrictions imposed due to Comprehensive Environmental Pollution Index(CEPI).
(iii) R&R problem.
(iv) Delay in land acquisition.
(v) Adverse geo-mining condition.
(vi) Constraints of coal evacuation on account on non-availability of railway rakes etc.

NLC

The Financial performance is as below: (Rs. In Crore)

Year		**Coal Sector**	**Power Sector**	**Total**
2008-09	Target (BE)	772.00	1945.00	**2717.00**
	Target (RE)	506.79	1388.55	**1895.34**
	Actuals	400.05	1159.10	**1559.15**
	Achievement (%)	78.94	83.48	**82.26**
2009-10	Target (BE)	524.09	1369.75	**1893.84**
	Target (RE)	386.40	844.94	**1231.34**
	Actuals	331.43	1031.67	**1363.10**
	Achievement (%)	85.77	122.10	**110.70**
2010-11	Target (BE)	313.94	1669.52	**1983.46**
	Target (RE)	120.83	1323.82	**1444.65**
	Actuals (Prvol.)	96.11	1260.58	**1356.69**

	Achievement (%) w.r.t RE	79.54	95.22	**93.91**
BE 2011-12	Target	104.58	1753.97	**1858.55**

2.7 In respect of NTPL project, there was some delay in receiving sanction for the project. This resulted in a shortfall in investment of around Rs.200 crores in the year 2008-09. In Coal sector there was some land acquisition problems which are now being settled; besides this, delay in release of final payments in Barsingsar Mine and Mines II expansion are the major reasons for shortfall. In power sector also, delay in supply and erection of equipments by the main plant contractor in TPS II Expansion and Barsingsar projects are the major contributories to this shortfall in expenditure

The physical performance is as below:

Year		**Lignite (LT)**	**Power (Gross) (MU)**
2008-09	Target	211.40	16299.00
	Actuals	213.08	15767.98
	Achievement (%)	100.79	96.74
2009-10	Target	217.50	16600.00
	Actuals	223.38	17656.04
	Achievement (%)	102.70	106.36
2010-11	Target (BE)	241.40	18758.00
	Target (RE)	219.00	16686.00
	Actuals	231.44	17879.54
	Achievement (%) against BE	95.87	95.32
B.E.2011-12	Target	239.50	18576

2.8 From the above, it may be seen that the physical targets have been achieved by more than 100% during 2008-09 for lignite, and in 2009-10 both lignite and power. Targeted power generation was not achieved in 2008-09 due to restricted lignite supply from the linked Mines owing to non availability of required land. Also heavy rainfall affected the Power generation. During the year 2010-11, shortfall both

in lignite production and power generation was mainly due to delay in commissioning of 2 units of 250 MW each in TPS-II Expansion at Neyveli and failure in stabilization of both 125 MW units in Barsingsar Rajasthan by M/s BHEL.

SCCL:

The details of Financial targets and achievements of SCCL during the last three years are as under:

(Rs. In Crores)

SCCL	2008-09			2009-10			2010-11		
Outlay	BE	RE	**Actual**	BE	RE	**Actual**	BE	RE	**Provisional**
	665.30	665.30	**650.44**	580.57	633.94	**888.67**	1334.93	1124.57	**680.41**

In 2008-09 Rs.665.30 Crores was provided in BE/RE and the expenditure incurred was Rs.650.44 Crores, which works out to 97.76%.

E. Environment/Forestry Clearances to Coal & Lignite Projects

2.9 The Ministry of Coal have furnished a list of projects of Coal India Limited and Singareni Collieries Company Limited pending for forestry and environment clearance(Annexure). This includes 120 projects pending for Stage I forestry clearance, 54 projects pending for Stage II forestry clearance, 14 projects for environment clearance; 25 projects awaiting for public hearing and 20 projects awaiting approval from Environmental Appraisal Committee.

F. Operating cost of PSUs

2.10 The operating costs of CIL for last three years are given below :

Figs in Rs. crores

Company	**2007-08**	**2008-09**	**2009-10**	**2010-11 (Prov.)**
CIL	23805.52	33977.61	32368.80	Yet to be audited.

Following measures have been taken by CIL to bring down the operating cost:

- Efficiency improvement.
- Increase of OMS.

- Energy Audit.
- Optimum utilization of resources like HEMM & manpower

NLC

Operating Costs of NLC during the last three years are:

Rs. In Crore

	2007-08	**2008-09**	**2009-10**
Operating Cost	1705.86	2589.33	2800.40

Increase in Operating cost is mainly due to

1. Increase in employee Remuneration on account of wage revision.
2. Mine Closure expenditure of Rs.400 crores has been booked for the period from 2004-05 to 2008-09.
3. Other than the above the increase in operating cost is very minimum..

Through constant follow up the operating cost is kept at barest minimum.

SCCL:

SCCL reply:

Operating cost for last three years of SCCL are as follows

YEAR	OPERATINGCOST (Rs./T) *
2008-09	1212.70
2009-10	1199.72
2010-11 (Provl.)	1216.86

*Operating cost excluding VRS expenditure and Provn. for OBR backfilling etc.

Steps taken to improve the physical and financial performance of the Company are as follows:

1. Thrust on production and productivity
2. Thrust on semi-mechanisation and opening new mines
3. Reduction of OverTime and Playday allowances
4. Off-loading of over burden removal
5. Rationalization/Right sizing of manpower
6. Energy conservation in mines/townships and reducing power pilferage in colonies
7. Regularisation of dependant employment against vacancies
8. Inventory reduction by adopting rate contracts and depot agreement with original equipment manufacturers
9. Staggered deliveries for Stores supplies and control of inventory

10. Measures to improve operational efficiency of HEMM to reduce consumption of oils and lubricants

G. Environmental Measures in Coal Mining Area

2.11 CIL is committed to continual improvement in its environmental performance, with emphasis on compliance of environmental legislations, prevention of pollution at all levels. Pollution control measures are taken concurrently with mining operations for maintaining acceptable levels of major physical attributes of environment namely air, water, noise and land. These measures are listed out in the Environment Management Plans prepared for each project and submitted to MOEF and obtain approval while obtaining Environmental Clearance. The control measures for abatement of air, water, noise as well as land degradation are briefly listed below:

Air Pollution Control Measures:

- Suitable water spraying systems for arresting fugitive dust in roads, washeries, CHPs, Feeder Breakers, Crushers, coal transfer points and coal stock areas are installed. Mist spray systems have been introduced along conveyor routes, transfer points and on bunkers. Mobile water sprinkling has been provided in all the haul roads of OC mines. In addition to these, the projects are enhancing the water sprinkling through engagement of contractual water tankers.
- Optimum loading of coal trucks to avoid spillage on roads.
- Covering of coal trucks by tarpaulin is a practice being followed to avoid spillage of materials during transport.
- Blacktopping, strengthening of coal transportation roads are regularly and scientifically being done.
- Plantation is done in the mining activity areas, along roads to create green belts in and around the mines. Plantation around mines is also being carried out.
- Use of dust extractors / wet drilling systems are being introduced.
- Subsidiaries have initiated supply of LPG to its workers replacing the domestic coal to reduce air pollution.
- The excavation equipment operators have been issued with dust masks.
- The subsidiaries have been advised to prepare mine wise Dust Control Action Plan and the same is under preparation/implementation.
- Adoption of modern technologies like Surface Miners at different subsidiaries of CIL, which generates lesser air borne pollution as compared to conventional methods.
- Ambient air quality in and around the mine site is being monitored fortnightly. There are required numbers of ambient air quality monitoring stations, as

stipulated in environmental rules and regulations and EC conditions which are being monitored on fortnightly basis as per Environment (Protection) Amendment Rule, September 2000 and reports are regularly submitted to SPCBs and MoEF.

Water Pollution Control Measures:

- Workshop Effluent Treatment Plants (WETP), designed with zero discharge concepts have been installed in all major OCPs having big workshops for proper maintenance of HEMM. The WETPs are provided with pre-sedimentation tanks, oil & grease traps, settling tanks and clear water sumps.
- Domestic effluent from major residential colonies is treated in Domestic Effluent Treatment Plant (DETP) either by activated sludge method or by extended aerated lagoons.
- Mine Discharge Treatment Plants (MDTP) are installed in mines for treatment of mine water.
- In order to assess the impact of mining activities on ground water, quarterly monitoring of ground water levels are being carried out in and around the coalmines covering the buffer zone of 10 Kms radius. Further, recharging of ground water is also taken up within mine premises as well as in nearby villages through rainwater harvesting, digging of ponds/development of lagoons, desilting of existing ponds/tanks etc.
- Regular monitoring of mine effluent, workshop effluent, domestic effluent is carried out every fortnight as per Environment (Protection) Amendment Rule, September, 2000. Reports of the same are regularly submitted to SPCBs and MOEF.

Noise / vibration Control Measures:

- Preventive maintenance of equipment.
- Controlled blasting / planning of colonies / habitation away from the mines have been introduced as far as possible. Nonel type detonators are used in OC mines to reduce impact of vibration and dust.
- Plantation in mining areas, around infrastructures to absorb vibration and noise.
- Providing protective gears to workmen.
- Training and re-training of workmen.
- Periodic medical examination.
- Noise level monitoring is regularly done at pre-fixed monitoring stations in day as well as night times.
- Issue of earmuffs to the excavation workmen
- Wherever there is habitation within 500 meter from the mines, vibration monitoring of blasting operation is done at regular interval and blasting operation
- Regular monitoring of ambient noise level in and around the mines is done as per Environment (Protection) Amendment Rule 2000 & reports submitted to SPCBs/MOEF.

Land Reclamation (soil quality / vegetation / eco-system):

- Reclamation of the mined out areas and the external OB dumps is a major

environmental mitigatory activity taken up by Coal India. In all new mines reclamation of mined out areas being done as per the Environmental Management Plan approved by MoEF and back filling of the OB material in the mine voids is part of the mining operation cycle.

- Topsoil Preservation: Topsoil preservation, storing and use in the plantation areas of the reclaimed areas are being done in the opencast mines wherever necessary. The EMP prepared gives due consideration for suitable use of topsoil. Since, storing of the top soil for a long time will loose the micro organisms, which help the build Carbon and Nitrogen cycles, wherever possible Concurrent reclamation on rehabilitation of mined out areas (subject to technical feasibility as per geo-mining conditions) are taken for gainful land use concurrent spreading of the same on the top of the OB Dumps and back filled areas ready for bio reclamation is being done.

- Tree plantation: Green belt is developed through extensive tree plantation programme every year by the subsidiaries of Coal India. Avenue plantation, plantation on the OB dumps, plantation around mines, residential colonies, available land is undertaken in existing as well as new projects. Coal India planted over 74 millions plants till now with a survival rate of 80 to 85% covering an estimated land area of around 32000 hectares. Additional plantation is a part of annual activities in each subsidiary.

- **Satellite Surveillance:** Coal India has launched effective system of surveillance for land reclamation / restoration for all the OC coal mines based on remote sensing satellite data to assess areas of backfilled plantation, status of OB dumps, social forestry, active mining area, settlement of water bodies, distribution of waste land, agricultural land and forest land in the leasehold of the project. Status reports of all projects are being put on websites of CIL, CMPDI and concerned coal companies in public domain. Such monitoring not only facilitates for taking timely mitigation measures against environmental degradation but also enables coal companies to utilize the reclamation land for larger socio-economic benefits in a planned way.

Environment Management Systems:

2.12 In order to give additional thrust to its drive towards environmentally sustainable coal mining, CIL has started integration of Environment Management System (ISO:14001) with Quality Management System (ISO:9001) and till date have successfully achieved Certification of 70 of its projects/Units. This very approach of integration of Environment Management System may be termed as innovative in the arena of coal mining as it is aimed at doing something beyond the routine environmental activities focusing only on ensuring legislative compliances. This integration is being extended to all mines in phases.

Mine Closure Plan (MCP):

2.13 Mine closure plan is an integral part of the project report prepared by CMPDIL for Coalmines after exhaustion of reserves of a mine. This progressive mine closure plan also forms a part of the EIA/EMP prepared and submitted to MOEF for

Environmental Clearance. The progressive reclamation of mined out areas by carrying out afforestation is inbuilt in the project cost and is implemented accordingly. Wherever possible concurrent backfilling and subsequent reclamation including tree plantations are taken up. After exhaustion of reserves, statutory obligations in respect of closure are also followed. Now detailed Mine closure plans are being prepared for the mines on the verge of closure, which will be submitted to MOC. Already CMPDIL is preparing the detailed mine Closure plans. Till date, MCPs for 26 projects have been completed while 69 are under preparation.

2.14 While replying to a question the Ministry have stated that massive plantation have been carried out in the different mines regularly. More than 72 million trees of different varieties have been planted.

H. Environmental Measures And Subsidence Control

2.15 Environmental Measures and Subsidence Control scheme is aimed at addressing environmental issues in the Coalfields at Raniganj and Jharia arising out of un-scientific mining carried out by the erstwhile mine owners.

(Rs. in Crore)

Scheme	**2010-11**		**BE 2011-12**	
Environmental Measures and Subsidence Control	**BE**	**RE**	**Projected**	**Approved**
9.90	30.00	30.00	865.52	50.58

The BE and RE 2010-11 for EMSC was Rs. 30.00 crores respectively and the same has been increased to Rs. 50.58 crores.

2.16 When enquired about the reasons for increasing funds to the tune of five times during 2011-12 at BE stage under EMSC, the Ministry of Coal have stated in their reply as under:-

> "The Budget Provision for the Scheme of EMSC was Rs.30.00 crore during 2010-11 and the same has been increased to Rs.50.58 crore (excluding provision for NER) in 2011-12 excluding the mandatory 10 % provision for NE region. The increase has been made with a view to meet the need to release central share of funding for Master Plan for Jharia and Raniganj. The

projected requirement was much higher (Rs. 515.52 cr) under this scheme but the required increase could not be made in view of the limited budgetary support made available to the Ministry of Coal for 2011-12 by the Planning Commission.

In this context it may be relevant to mention that the Master Plan of Jharia and Raniganj Coalfields dealing with fire, subsidence, rehabilitation and diversion of surface infrastructure was approved by GOI at an estimated investment of Rs.9773.84crore(Rs.7112.11 crore for Jharia and Rs.2661.73crore for Raniganj) including Rs.83.71 crore for fire control and rehabilitation scheme of BCCL, sanctioned earlier under the Plan Head of EMSC. With the approval of the Master Plan for Jharia and Raniganj Coalfields, the ongoing EMSC schemes were all dovetailed into the approved Master Plan.

It was also indicated in the approval that the funding arrangement for implementation of Master Plans was to be through internal resources of CIL and central sharing out of collection of Stowing Excise Duty (SED) under Coal Mines (Conservation and Development) Act, 1974 (CCDA Act). For joint implementation of Jharia & Ranigaunj Master Plans, CIL will contribute Rs.350 crores per annum from their internal resources and the balance is to be provided from collection of SED under CCDA Act 1974.

The budget requirement of Rs.515.52 cr(excluding the share of Rs.350 cr of CIL). was projected as central share for Master plan as part of the total requirement of the Min of Coal of Rs.924.18 cr (excluding 350 crore from Internal Resources of CIL) for 2011-12. However keeping in view the limited Budgetary support of Rs.420 cr. provided by the Planning Commission the central share of funding had to be curtailed to the level of Rs. 50.58 crore in BE 2011-12 .

Due to the merger of EMSC schemes in the approved Master Plan, the proposed budget covers all the proposed expenditures for implementation of Master Plans."

2.17 When the Ministry was asked about the steps envisioned to ensure proper utilization of earmarked funds for 2011-12 under EMSC, they have furnished the following details:-

"The implementation of different activities under Master Plan like demographic survey, acquisition of land for rehabilitation, shifting of persons to the newly constructed township, payment towards minimum wages, preparation of DPR for diversion of roads from the affected areas, implementation of fire and subsidebce control schemes, construction of houses and other amenities etc. are in progress and considerable amount of expenditure towards such activities is expected from 2011-12 onwards and budget provisions in the Master Plan have been made accordingly.

All the activities as well as release / utilization of fund are being monitored at company level, CIL level and also by the High Powered Central Committee under the chairmanship of Secretary (Coal). Hon'ble Minister of Coal also takes review meeting from time to time to assess the status of implementation of the Master Plans.

CIL board has approved the modalities for release of required funds to ensure smooth and foolproof system for release of fund for different activities of the Master Plans."

2.18 When asked as to how many EMSC schemes are under implementation at present and also asked to furnish details of these schemes (company-wise), their present status, estimated cost, schedule of completion and reasons for delay, if any, the Ministry of Coal have furnished the following details:-

"By virtue of the approval of the Master Plans, all the EMSC schemes are now merged with the Master Plan. The details of the previously known EMSC schemes, presently under implementation as a part of the Master Plans, are as follows:

Bharat Coking Coal Limited:
The **EMSC 24** scheme (as previously known) namely "Shifting of people from most endangered areas of BCCL" is under implementation. However this scheme has also been dovetailed in approved Master Plan. As per this scheme, the construction of 1152 BCCL quarters and 3100 non-BCCL quarters is under progress. Total estimated cost of the scheme is Rs.61.09 crores. The schedule of completion is March 2012.

BCCL houses (1500 nos):
Construction of 344 houses at Bhuli, Bhimkanali, Nichitpur and Katras Coal Dump in triple storied blocks has been completed. Work Order has been issued for construction of balance 1152 quarters in October 2010 for construction of 444 houses at Kusunda, 360 houses at Katras, 156 houses at Sijua and 192 houses at Lodna Area against budget accorded of Rs. 50.88 crore. The foundation work is completed in 45 Blocks, plinth work is completed in 45 Blocks and brickwork upto lintel level is completed in 15 Blocks. Total expenditure incurred towards construction of 344 houses & development work till March 2011 was Rs.7.36 crore (Provisional).

Non-BCCL houses (3100 nos):
2352 houses have been completed at Belgoria site. Majority of road construction, water supply, drainge and power supply have been completed. Construction of 748 houses could not be taken up due to land dispute. 805 families have been shifted to Belgoria Township named Jharia Bihar so far. Provision of HT & LT line and service connection completed upto 88%. 422 families (encroachers) were given Rs. 10000/- each as shifting allowance. Expenditure incurred by JRDA till March 2011 was Rs.25.19 crore.

Eastern Coalfields Limited:
No EMSC scheme is presently under implementation at Raniganj Coalfields."

2.19 When the Ministry was asked to furnish details of steps taken to incorporate latest technologies prevalent globally to control fire and subsidence in coal field areas and asked as to whether any help from foreign firms have been sought in this regard and further asked to furnish complete details thereof, they have replied as under:-

"The Fire Report submitted by GAI / MET-CHEM in June 1996 under Mine Fire Technical Assistance Project formed the basis of the Master Plan dealing with fire. Out of the various control measures currently being adopted globally to control fire and subsidence in coal mining areas, the recommended measures for implementation in Jharia and Raniganj Coalfields are the more improved use of one or combination of the following measures:

- Excavation of fire material and filling with cohesive soil
- Filling of opencast high wall, shafts, inclines and other subsided areas.
- Isolation by trenching and backfilling with soil
- Construction of grout barrier and isolation against rail, road and jores
- Surface sealing and blanketing
- Blind flushing with sand/fly ash/grout mixtures
- Cooling, quenching and removal
- Seam sealing, tunnel plug and underground stopping.

For further studies on fire protection, Coal India had awarded one R&D project on 'Exploration and determination of coal fire hot spots to prepare the strategy to put off the fire in Nimcha Mine and Shamdih Mine" to DMT-Avantika, while Avantika is the Indian counter part of DMT, Germany. The study had commenced in February 2009 and has completed in April 2010 at a total cost of Rs. 444.23 lakhs."

2.20 When the Ministry was asked to furnish a status report on the Master Plan approved by the Ministry for Jharia and Raniganj, they have stated as follows:-

"Bharat Coking Coal Limited – Jharia Coalfields:
(i). Fire, Subsidence Control and Stabilisation Schemes:

- Kujama Colliery, Bastacolla Area
- Patherdih-Bhojudih Link Railway Line at Sudamdih-Patherdih Colliery, Ej Area.
- East Katras Colliery (New Akash Kinaree), Govindpur Area
- East Bassuria Colliery, Kusunda Area
- Sendra-Bansjora Colliery, Sijua Area
- Fire control at Rajapur (EMSC-21).
- Reclamation of degraded land in 125 ha
- Shifting of people from most endangered areas of BCCL (EMSC-24).
- Dhanbad-Patherdih Railway line at Londa and Bagidigi Colliery (RCFS-01), Lodna Area
- Adra-Gomoh Railway Line at Block-II OCP and Phularitand Colliery (RCFS-02), Block-11 Area/Barora Area
- Chatkari Jore at Jeenagora Harare Colliery (RCFS-03), Lodna Area
- Dhanbad- Patherdih Railway line at Bararee Colliery (RCFS-04, Londa Area).

Following two fire schemes have already been completed;

- Fire control at Industry (EMSC-23),
- Fire control at Alkusha (EMSC-22),

(ii). Demographic (socio-economic) survey: CIMFR and ISM have started the job of demographic / socio-economic survey of fire affected / subsidence prone areas for identification of families living in the areas. Till date survey of 30000 [CIMFR=18540 & ISM=11460] affected families have been identified

and 298 [CIMFR=119 & ISM=179] unstable sites have been completed. Photo Identity Cards (PICs) of 14513 families [CIMFR=6706 & ISM=7807] are completed and the same have been distributed to 7602 [CIMFR=4504 & ISM=3093] families.

(iii). Land acquisition / Construction of houses:

Non-BCCL houses: Till date proposal for 1002 acres of Raiyti land have been sent to the DLAO, Dhanbad. Proposal of 363.98 acres of government land was sent to Addl. Collector, Dhanbad. 680 acres of Raiyti and Govt. land has been surveyed for acquisition / transfer.
Land for BCCL houses: Proposal for construction of 16000 houses (Rs.658 crore) has been approved by BCCL Board. The land at Belgeria site, though acquired, is not taken under possession of BCCL due to litigations and it was decided that land available (120.03 acre) at Karmatand, Karmik Nagar and Alakdiha will be utilized for construction of 4080 houses at an estimated cost of Rs. 134.60 crore. Tender for the work has been called and opened. Evaluation is under process.

(iv). Diversion of Rail lines etc: Work order has been issued to RITES Limited for taking up the work of preparation of DPR for diversion of roads from fire and subsidence affected areas and connectivity to proposed Satellite Townships. As per the preliminary survey report on alternative route to NH-32, Government of Jharkhand has approved the short term measures as Mahuda More - Nawagarh – Dumra- Gomoh -Topohanchi. RITES has been asked to prepare DPR for diversion of NH-32 due to its danger of subsidence and fire. Brief report on the basis of discussion has been submitted by RITES which has been forwarded to Executive Engineer, PWD Road and Executive Engineer, NH, Dhandad for comments.

Eastern Coalfields Limited:
(i). Demographic Survey:

- Work Order has been issued to XISS, Ranchi for carrying out Demographic & Land Survey work, Valuation of Structures and preparation of Photo Identity Cards for 7 unstable sites in September 2010. XISS has completed the work in location no. 38 namely Samdih village (Muchipara) & Panchayat Bhaban. Number of household found about 135 in place of 63, as was estimated in Master Plan. The survey work in location no.37, 65 & 80 has also been completed where number of houses surveyed was found as 1523 against the estimated number of 990 as per Master Plan.
- The work is in progress in location no. 27 i.e. Sanctoria village / Sodepur Area and the work is to be taken up shortly in other locations namely Harishpur village / Kajora Area, Darulbandh / Pandaveswar Area.
- The same survey work for ECL population & properties are being done simultaneously by concerned Areas of ECL. In Salanpur Area one bunglow, two 'C' type quarters and an office building are in unstable locations.

(ii). Land Acquisition:

- Out of the three proposed resettlement sites at Bonjemahari, Gourangdi and Nachan, the work of land identification at Bonjemahari has already been started.

- In a meeting held on 04.01.2010 under the Chairmanship of The Hon'ble MIC, Commerce & Industries Dept., Govt. of West Bengal, a proposal was initiated to build up another two townships at Hingham and Kajora area. Land particulars of the said areas have been forwarded to the Commerce & Industries Department, Govt. of W.B. Asansol Durgapur Development Authority (ADDA)has received Cabinet approval from WB Govt for acquisition of land for townships. 23.51 acres of land proposal has been submitted to L.A. Collector, Burdwan. The rest land proposal is to be submitted as soon as the fund will be placed to ADDA.
- In 3rd HPCC meeting held on 27.08.2010, it was resolved that feasibility of setting of one township in the vacant land of DSP at Durgapur, instead of one proposed to be set up at Gourandi may be explored in consultation with Govt. of West Bengal.

(iii). Diversion of surface infrastructures:

- ECL has taken up the issue and has sent requests to the DM, Burdwan, NHAI, IOC and DRM, Asansol for deputing suitable representatives for identification of suitable alternate routes for taking up survey work at the earliest, for diversion of DB raod, NH road, IOC pipeline and railway line respectively.
- A meeting in connection with the above was held on 26.10.2010 where Director (T/P&P), ECL, RD, RI-1 and ASO of Salanpur Area & Kenda Areas participated and discussed about the proposed diversion routes of roads & railway lines. The proposed diversion route of roads in Salanpur Area has been finalized and the same has been forwarded to NHAI and District Board Authorities (DBA) for furnishing detailed project report and cost involvement to ECL.

(iv). Implementation of Stabilization Schemes:

There were 6 EMSC projects of Raniganj Coalfields for stabilizing the unstable areas. The stowing projects have been temporarily suspended, as the Master Plan proposes to rehabilitate the affected person from unstable areas as per the recommendation of DGMS studies."

Fire & Subsidence in Jharia and Raniganj Coalfields:

2.21 BCCL inherited 70 mine fires at the time of nationalisation from the erstwhile private owners and since then a concerted efforts were made by BCCL to control these fires under different projects and otherwise. As a part of its fire fighting efforts, 22 fire projects were sanctioned by BCCL during 1976 to 1988. Massive efforts were made for implementation of these fire projects by introducing the best technology, such as surface sealing, digging, trenching, inert gas infusion and remote sand-bentonite mixture flushing etc. Besides, stabilisation works were carried out to save railway lines, jores and other areas, which were accessible. The implementation of these schemes helped in achieving the followings results:

- Liquidated 10 fires completely.

- Controlled majority of the fires from total devastation.
- Reduced the total surface area affected by fire from 17.32 to 8.90 sq. km.
- Reduced the blockage of coal from 1864 MT to 1453 MT.

2.22 In Raniganj Coalfields, good quality non-coking coal occurring in thick seams at shallow depth mined indiscriminately in 19th century. Small areas near the entries of the mines worked manually and pillars reduced indiscriminately and caved in some places causing serious problem of subsidence. As a result, several populated locations aggregating of about 8-km2 areas are under the threat of subsidence. The old abandoned mines underlying the populated areas are mostly water logged and unapproachable. A total of 139 sites are proposed to be rehabilitated including ongoing schemes. There are also 7 fire locations, which are required to be dealt with.

Approval of Master Plans:

- The Master Plan (March 2008) for Jharia Coalfields dealing with fire, subsidence & rehabilitation of people from most endangered areas and diversion of surface infrastructure was approved in August 2009 at an estimated investment of Rs. 7112.11 crores including Rs. 83.71 crores earmarked for fire control and rehabilitation scheme of BCCL undertaken as EMSC scheme.

- Similarly, the Master Plan (April' 2008) for Raniganj Coalfields dealing with fire, subsidence & rehabilitation of people from unstable localities and diversion of surface infrastructure was approved in August 2009 at an estimated investment of Rs. 2661.73 crores including Rs. 32.52 crores earmarked for rehabilitation demonstration scheme of ECL being undertaken as EMSC scheme.

2.23 Both the Master Plans are under implementation under the direct supervision of BCCL, ECL and regularly monitored by High Powered Central Committee under the chairmanship of Secretary (Coal). The implementation of the Master plans are time to time reviewed by the Minister of Coal.

Demonstration Schemes:

- A demonstration scheme was approved by Govt. of India and funded by MOC for shifting of 4600 (3100 non-BCCL unauthorized and 1500 BCCL) houses from most endangered areas in BCCL. The scheme was revised in February 2003 (Rs 61.09 crores). The scheme is under implementation.

For implementing the rehabilitation of Non-BCCL houses, the state governments of Jharkhand have entrusted the job to Jharia Rehabilitation & Development Authority (JRDA).

- Govt of West Bengal as per unstable Act 1979 has notified 4 rehabilitation sites / areas (Demonstration) namely Samdih, Harishpur, Bangalpara Refugee Colony & Kenda Village as unstable areas. Rs 5.50 crores have been paid as Ad-hoc advance to ADDA. Expenditure incurred till October 2010 is Rs. 44.46 lakh.

2.24 For implementing the rehabilitation of non-ECL houses, the state governments of West Bengal have already entrusted the job to Asansol Durgapur Development Authority (ADDA) respectively.

Land acquisition process at Bonjemari site is in progress by ADDA.

- The present status of Master Plan is enclosed in **Annexure .**

PART-II

Observations/Recommendations

1. The Committee note that six central schemes/projects are being implemented by the Ministry of Coal with the help of Gross Budgetary Support from Government of India and other category of schemes/projects are being implemented by Public Sector Undertakings under the administrative control of Ministry from their own Internal and Extra Budgetary Resources(I&EBRs). The Committee note that the total plan outlay of the Ministry of Coal for the year 2011-12 at BE has been kept at Rs.9302.85 crores as against Rs.13118.39 crores provided at BE 2010-11 which was further reduced to Rs.7988.12 crores at RE stage and the actual expenditure during 2010-11 was only Rs.5027.62 crores. BE for 2011-12 (Rs.9302.85 crores) includes Rs.420.00 crores for implementing various central schemes and Rs.8882.85 crores for implementing schemes/projects by PSUs. The Committee in their earlier Reports on the subject had commented adversely on recurring and substantial under-utilisation of plan outlay by the Ministry in last few years. The trend of utilization of funds by the Ministry and its PSUs clearly shows that the budget estimates are prepared inflated which are eventually reduced at RE stage, guided by the slow progress of implementation of on-going projects/schemes. While emphasizing the need to review its budget making mechanism for preparing realistic estimate, the Committee desire that on-going projects/schemes should be implemented on fast track basis to avoid under-utilisation of scarce funds provided to the Ministry.

2. The Committee note that regional exploration in coal and lignite have been proposed 1,63,355 in metres at BE 2011-12 as against that of 1,55,000

drilling in metres which was earmarked at BE/RE stage of 2010-11. Similarly, detailed exploration in CIL and non-CIL blocks has been proposed 1,96,100 drilling in metre as compared to that of 1,91,200 in metres at RE 2010-11. The Committee are, however, surprise to find that while physical targets in above two schemes have been increased for the year 2011-12 as compared to those of preceding year, the budget allocation for these schemes have been reduced from 68 crores and Rs.110 crores provided at BE 2010-11 to Rs.62.17 crores and Rs.99.22crores earmarked for 2011-12 respectively. The Committee would like to be satisfied as to how increased physical target would be achieved with decreased allocation. The Committee hope that regional exploration in coal and lignite would not suffer on account of constraints of funds.

3. For implementation of Master Plan to deal with problem of fire and subsidence and related rehabilitation for Jharia and Raniganj Coalfields a provision of 50.58 crores has been provided at BE 2011-12 as against Rs.30 crores at BE/RE 2010-11. Keeping in view the significance and sensitivity of the Master Plan, the Committee hardly need to emphasise that the implementation of the Master Plan ought to be given top priority and increased allocation should be optimally utilized since the Jharia and Raniganj Coalfields have been declared unsafe for habitation and the implementation programme need to be taken up on war footing to avoid any catastrophe. Though, the Master Plan is to be implemented in a phased manner, the Committee would like the Ministry and Coal India Limited to compress the time period for implementation of the plan.

4. The Committee are constrained to observe that Coal India Limited had to revise their production target from 460.5 MTs to 440.2 MTs for 2010-11 and the plan outlay was correspondingly reduced at RE stage from Rs.9800

crores to Rs.4615.20 crores and the actual expenditure has been Rs.2585.66 crores. This also included Rs.6000 crores kept for acquisition of assets abroad which could not be utilized as no proposals had materialized. The Coal India Limited have listed out a number of reasons for lower coal production during 2010-11 viz. stoppage of environmental clearance due to embargo of CEPI, delay in forestry clearance, coal evacuation problem, law and order problems in Jharkhand and Orissa, excessive rainfall in WCL & NEC areas, delay in possession of acquired land, R&R problems and delay in finalization of tour OB removal contracts due to legal problems at NCL. The Committee, however, feel that not all reasons were beyond the control of Coal India Limited such as coal evacuation, R&R problem, finalization of OB removal contracts were within the reach of the company which could have been easily tackled. The Committee expect the Coal India to refrain from offering lame excuses for lower coal production repeatedly year after year. Had these problems been addressed timely in right perspective, the question of downgrading of production target would not have arisen. The Committee would, therefore, like the Coal India Limited to prepare a comprehensive action plan to overcome these perennial problems affecting the coal production so as to avoid as far as possible the mismatch between the demand and supply of coal.

5. The plan outlay of Neyveli Lignite Corporation had been reduced from 1983.46 crores to Rs.1444.65 crores at RE stage during 2010-11 due to delay in supply and erection of equipment by the main plant contractor BHEL and the expansion of Barsingsar Mine and Mine-II had been completed and payments for major items had been made and only release of final payments was pending. The **production of lignite and power generation by the company has not achieved 100% target in 2010-11 though the**

production in that year was more that than of 2009-10. The shortfall both in lignite production and power generation has been stated to be mainly due to delay in commissioning of two units of 250 MW each in TPs II Expansion at Neyveli and failure in stabilization of both 125 MW units in Barsingsar Rajasthan by BHEL. The Committee would like the status of these projects and the action taken by the Ministry against BHEL for their failure to supply the equipments in time. The Committee are of the firm opinion that suitable timely measures ought to be taken by proper advance planning and strict monitoring to ensure that there is no under-utilisation of funds.

6. The Singareni Collieries Company Limited (SCCL) had also reduced their plan outlay to Rs.1124.57 crores at RE stage against 1334.93 crores projected at BE 2010-11 and the actual expenditure during this period was only Rs.680.41 crores. Now an increased outlay of Rs.2804.03 crores has been made at BE 2011-12 as against Rs.1124.57 crores at RE 2010-11 for implementation of various on-going projects, procurement of equipments and other development works. The Ministry have informed that decrease in the outlay in respect of SCCL was due to deferment of procurement of some of the Heavy Earth Moving Machine projected in BE 2010-11 and commissioning of 2x600 MV power projects could not be completed. The plea advanced by the Ministry for decrease in the allocation have failed to convince the Committee and they would like the Ministry to explain the reasons for delay in procurement of HEMM and non-commissioning of power projects. The Committee, therefore, desire that SCCL should prepare an action plan anticipating bottlenecks, if any, which could affect the implementation of on-going projects so as to remove them expeditiously and earmarked funds are fully utilized to maximize coal production. The

Committee expect the SCCL to utilize fully the plan outlay during 2011-12 so that they are able to meet the production target.

7. The Committee find that the operating cost of coal and lignite companies has been on increase year after year. The operating of coal India Limited during 2007-08, 2008-09 and 2009-10 has been Rs.23805.52 crores, Rs.33977.61 crores and Rs.32368.76 crores respectively. While the operating cost of Neyveli Lignite Corporation during these years has been Rs.1705.86 crores, Rs.2589.33 crores and Rs.2800 crores respectively the same has been Rs.1212.70 crores, Rs.1199.72 crores and Rs.1216.86 crores respectively in the case of SCCL during the same period. Though these companies are reported to have taken a slew of measures to bring down the operating cost but there has not been any perceptible improvement in this regard. The Committee would like to emphasise the coal and lignite companies to take extra austerity measures without compromising the quality and quantity output which would go a long way in increasing their efficiency to a large extent, the Committee feel.

8. The Committee are anguished to observe that 120 projects have been pending for stage I forestry clearance, 54 projects pending for stage II forestry clearance and 14 projects pending for environmental clearance. Further, 25 projects have been pending for public hearing and 20 projects are awaiting for Environmental Appraisal Committee approval. 16 open caste projects identified by Coal India Limited under Emergency Coal Production Plan for enhancing higher level yielding additional production of 71.30 MTs coal have also not made any headway in the absence of statutory clearances.

9. The Ministry have informed the Committee that in order to expedite forest clearance to coal projects, a joint exercise was carried out by Ministry of Coal and Ministry of Environment and Forest by super imposing Maps of coal bearing areas over maps of forest cover in nine potential coal fields. On the basis of this, Ministry of Environment and Forest has unilaterally defined a criteria for coal mining in `go' and `no-go' category has not been agreed to by Ministry of Coal. Out of 602 blocks in these 9 coal fields, 203 are coal blocks with proven potential of 660 MT per annum in no go areas which could support power generation capacity of 1,30,000 MW. The matter is reported to have been referred to Group of Ministers for consideration.

10. The Committee have serious apprehensions that coal and lignite sector in the country is going to affect adversely if the progress of coal and lignite projects continues to be in such an appalling condition. The Committee strongly believe that the country is definitely heading for energy crisis in near future as substantial number of coal projects has been struck up on `go' and `no-go' controversy. What is really needed is serious consultations at the highest level by the Ministry of Coal for getting the various statutory clearances. The Committee would like the Ministry to take up the matter with the Ministry of Environment and Forest at the highest level to resolve the contentious issue of `go' and `no-go' in the mineral sector. The Ministry of Coal should place their considered views forcefully before the Group of Ministers for hammering out a permanent solution.

11. The Committee have been given to understand that the Neyveli Lignite Corporation have put enormous efforts for taking care of the environment in and around the mining area which is an example for other mining companies to follow. This was also evident during the study visits of the Committee to their plant last year. The Committee would like to coal

companies to depute their concerned officers to visit NLC mines to get an idea about the work done by the company in the field of maintaining flora and fauna thus protecting environment in the mining areas so that they can replicate those efforts in their coal mining areas. Though the coal companies are reported to have carried out massive plantations in the mining areas but much more is needed to be done in this regard. The Committee, however, desire the coal companies to implement the Mine Closure Plan in letter and spirit. The Committee would like the coal companies to put a permanent mechanism in place for ensuring that Mine Closure Plan is actually implemented and the mined out areas are restored to their original position.

New Delhi;
23 August, 2011
01 Bhadra, 1933(Saka)

KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL (2010-11) HELD ON 19.08.2011 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1515 hrs.

PRESENT

Shri R.C. Singh – In the Chair

MEMBERS

LOK SABHA

2. Shri Hansraj G. Ahir
3. Shri Jaywant Gangaram Awale
4. Shri Yashbant N.S. Laguri
5. Shri Govind Prasad Mishra
6. Shri Rakesh Sachan
7. Smt. Rajesh Nandini Singh
8. Sardar Sukhdev Singh Libra

RAJYA SABHA

9. Shri Kishore Kumar Mohanty
10. Shri Nand Kumar Sai
11. Shri Jai Prakash Narayan Singh

SECRETARIAT

1.	Shri Shiv Singh	-	Director
2.	Md. Aftab Alam	-	Deputy Secretary

2. In the absence of the Chairman, the Committee chose Shri R.C. Singh to chair the sitting under Rule 258(3) of the Rules of Procedure. Thereafter, the chairman welcomed the Members to the sitting of the Committee.

3. The Committee thereafter took up for consideration the following Draft Reports:-

(i) Report on Demands for Grants (2011-12) of the Ministry of Coal;

(ii) ** ** ** **

(iii) ** ** ** **

(iv) ** ** ** **

4. The Committee adopted the draft reports without any changes/modifications and authorized the Chairman to present these Reports to both the Houses of Parliament.

The Committee then adjourned.

**Do not pertain to this Report